

Message Text

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53

ORIGIN EA-14

INFO OCT-01 ISO-00 EUR-25 AID-20 DPW-01 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 IO-14 /152 R

DRAFTED BY EA/P:STAFF:PP

APPROVED BY EA/P:AHROSEN

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R 192301Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALEAP

AMCONSUL BIEN HOA

AMEMBASSY CANBERRA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

JEC PARIS 0938/39/40/41

USSAGE NAKHON PHANOM

CINCPAC HONOLULU

COGARD POLAD

XMT AMEMBASSY SUVA

UNCLAS STATE 247514

E.O. 11652 N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 19 EA PRESS SUMMARY(CSM NOT AVAILABLE)

CHINA-USSR-VN

1. NYT, SUN AND WP REPORT OPENING IN MOSCOW OF CONFERENCE
OF PARTY REPS OF WARSAW PACT POWERS PLUS CUBA AND
MONGOLIA, TO DISCUSS IDEOLOGICAL PROBLEMS. SUN'S
PARKS SAYS IDEOLOGISTS AND OTHER HIGH PARTY FIGURES
INVOLVED, AND MEETING LIKELY TO CALL FOR UNITED FRONT
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AGAINST PRC. ONLY "MAVERICK" ROMANIA SENT RELATIVELY
LOW-LEVEL DELEGATION, AND JUGOSLAVIA, WHICH HAS BEEN
STRENGTHENING TIES WITH PRC, NOTABLY ABSENT. NYT
ALSO NOTES THAT MEETING BEGAN DAY AFTER THO'S TRANSIT

STOP AND MEETING WITH PODGORNYY. DURING DINNER FOR THO, PODGORNYY ACCUSED USG AND GVN OF "SYSTEMATICALLY AND RUDELY SABOTAGING" PARIS AGREEMENT. THIS UNUSUALLY HARSH LANGUAGE REFLECTS MOSCOW'S CONCERN OVER RISING TENSIONS IN VN; AND SOVIET ATTENTIVENESS TO VN ISSUE MAY ALSO BE PART OF MOSCOW EFFORT TO BUILD UP ITS POSITION AMONG ASIAN CPS AT CHINA'S EXPENSE.

CHINA

2. IN FACE OF "GRAVE SITUATION" FACING BRITAIN, HEATH CALLS IN PRC AMBASSADOR SUNG AND ANNOUNCES INDEFINITE POSTPONEMENT OF CHINA TRIP (NYT, WSJ, WP). UK OFFICIALS SAY AMB. WAS "UNDERSTANDING" AND

ACTION WILL HAVE NO EFFECT ON ANGLO-CHINESE RELATIONS.

3. DEC. 18 JOC REPORTED FROM HK ON CHINA TRADE SURVEY JUST PUBLISHED BY US ANALYSTS IN THE COLONY. SURVEY PRESENTS "RELIABLE AND DETAILED ESTIMATES" OF 1972 TRADE STATISTICS. NOTES THAT WHILE 1973 SHOULD SHOW 20-25 PERCENT INCREASE OVER 1972, WORLD SHORTAGES AND DELIVERY DELAYS MAY SLOW DOWN EXPANSION NEXT YEAR. SURVEY INDICATED THAT PRC COULD HAVE TRADE DEFICIT THIS YEAR THOUGH THIS MIGHT BE AVOIDED BY DELIVERY DELAYS TO CHINA. OF TOTAL 1972 TRADE OF 5.72 BILLION DOLS, 2.9 BILLION DOLS WERE EXPORTS (UP 23 PERCENT) AND IMPORTS 2.77 BILLION DOLS (UP 21 PERCENT). TEN PERCENT OF INCREASE PROBABLY ACCOUNTED FOR BY DEVALUATION OF DOLLAR IN TERMS OF OTHER CURRENCIES.

4. MV CASPIAN SEA, FIRST CARGO SHIP FROM PRC IN "25 YEARS", IS IN LONG BEACH LOADING 10,000 BALES COTTON FOR SHANGHAI DELIVERY. OWNED BY CHARTERING FIRM IN HK, SHIP IS SOMALI-REGISTERED, AND 40 OF 42 MAN CREW ARE FROM PRC (AP, S-N, DEC. 18).

JAPAN

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5. NYT'S ANDERSON AND WP'S DULLFORCE REPORT MIKI AT FAREWELL PRESS CONFERENCE IN CAIRO ANNOUNCED GOJ HAD OFFERED 140 MILLION DOL LOAN FOR FIRST PHASE OF SUEZ CANAL CLEARING AND WIDENING. OTHER JAPANESE OFFICIALS SAID LATER THAT JAPAN HAD EXPRESSED INTENTION OFFER ADDITIONAL 140 MILLION DOLS FOR COMPLETION OF PROJECT. MIKI SAID ON RETURN TO JAPAN HE WOULD COME UP WITH CONCRETE PROGRAM FOR OTHER LOANS TO EGYPTIAN INDUSTRY. HE SAID SADAT SHOWED "CONSIDERABLE UNDERSTANDING" OF JAPAN'S ENERGY PROBLEMS, AND ACCEPTED INVITATION TO VISIT JAPAN AT DATE TO BE DECIDED. OFFICIALS ACCOMPANYING MIKI SAID THERE WAS SO FAR LITTLE CHANGE IN ARAB OIL POLICY TOWARDS JAPAN; DULLFORCE

ADDS THAT ARAB OFFICIALS SAID FRANKLY IN PRIVATE THAT JAPAN IS PRIME TARGET FOR OIL CUTBACK BECAUSE OF HEAVY US INVESTMENT THERE AND EXPECTATION THAT THREAT OF JAPANESE ECONOMIC COLLAPSE WILL INFLUENCE US POLICY. ASKED ABOUT GOJ ATTITUDE TOWARDS ISRAEL, MIKI REITERATED CALL FOR IMPLEMENTATION OF SC 242 AND ADDED THAT ANY CHANGES IN JAPAN'S POLICY TOWARDS ISRAEL "WILL BE DECIDED AUTONOMOUSLY" BY GOJ AND AT THIS STAGE HE COULD NOT PREDICT. ANDERSON NOTES THAT NAKASONE SCHEDULED MAKE SIMILAR ME TOUR NEXT MONTH.

6. CULLISON (JOC) REPORTS DIET LOWER HOUSE PASSAGE DEC. 18 OF TWO EMERGENCY BILLS AUTHORIZING GOJ TO TIGHTEN CONTROLS OVER POL PRODUCTS AND ESTABLISH STANDARD PRICES OVER DAILY NECESSITIES AND KEY COMMODITIES. CULLISON ALSO DESCRIBES PLANS FOR SELECTIVE CUTBACKS ON ELECTRICITY CONSUMPTION WHICH WILL CUT SUPPLY BY 20 PERCENT FOR NONESSENTIAL SERVICES. SELECTIVE CUTS WILL AFFECT INDUSTRIES VARIOUSLY, WITH NO CUTBACKS FOR COAL MINING, ONLY 5 PERCENT FOR THOSE OF PUBLIC NATURE OR PRODUCING "SOCIALLY DESIRABLE" GOODS.

7. WSJ REPORTS THAT ALLEN GROUP, INC., WHOSE CHAIRMAN IS WALTER KISSINGER, HAS AGREED TO PURCHASE 20 PERCENT EQUITY IN BANZAI JIDOSHA WHICH, LIKE ALLEN, IS IN AUTOMOTIVE TESTING AND SERVICING FIELD. KISSINGER UNCLASSIFIED

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SAID HE EXPECTS TO CONCLUDE TRANSACTION IN 1974, SUBJECT TO AUDIT OF BANZAI AND GOJ APPROVAL.

8. JOC REPORTS SUCCESSFUL DEBUT OF SIX FOREIGN STOCKS (FIVE US) ON TOKYO EXCHANGE, WITH CLOSING PRICES ABOVE THEIR DOMESTIC MARKET PRICES (FIRST CHICAGO CORP. CLOSED AT 19,180). EXCHANGE PRESIDENT MORINAGA SAID AT OPENING ADDRESS THAT INTRODUCTION OF NON-JAPANESE ISSUES SHOULD HAVE STABILIZING EFFECT ON HIGHLY FLUCTUATING TOKYO MARKET.

9. HITACHI ANNOUNCES PLANS TO CUT BACK CAPITAL SPENDING IN CURRENT FY, AND MATSUSHITA SAYS IT IS CONSIDERING SIMILAR REDUCTION (AP, NYT). NYT AND JOC NOTE AGREEMENT BY FINMIN AND BANK OF JAPAN TO RAISE DISCOUNT RATE TO NINE PERCENT, TO BE ANNOUNCED FIRDAY.

INDOCHINA

10. REUTER SAIGON REPORTS THAT HOMER ELM AND TWO VIET ASSISTANTS RELEASED BY VC IN REMOTE DELTA VILLAGE. ALL FLOWN TO SAIGON BY CHOPPER, ELM IN GOOD HEALTH

DESPITE WEIGHT LOSS. ELM AND ASSISTANTS WERE CIVILIANS
UNDER CONTRACT TO ICCS, ABDUCTED OCTOBER 6.

11. CHIEF US DELEGATE TO FPJMT FLINGS BLOODY JACKET
IN WHICH US OFFICER WAS KILLED ON CONFERENCE TABLE,
SAYS AMBUSH OF TEAM SEARCHING FOR WAR DEAD WAS PLANNED
WITH INFO PROVIDED BY US, WALKS OUT JOINED BY SVN
DELEGATION AFTER STRONG DENUNCIATIONS BY BOTH.
US EMBASSY OFFICIALS SAY THERE IS NO PLAN TO BOYCOTT
NEXT SCHEDULED MEETING ON FRIDAY. VC SAY JMT DID
NOT UNANIMOUSLY APPROVE SEARCH MISSION (REUTER,

NYT; AP, WP). S-N (DEC. 18) QUOTES US SOURCES IN
SAIGON THAT US OFFICIALS HAVE A WRITTEN RECEIPT FROM
VC REP, DATED ONE WEEK PRIOR TO INCIDENT, PERMITTING
SEARCH TEAM TO ENTER AREA WHERE AMBUSH OCCURRED.

12. NGUYEN HUU THO AT KREMLIN DINNER IN HIS HONOR
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SAYS VC WILL INCREASE ATTACKS TO "GIVE A RESOLUTE
REBUFF" TO GVN OPERATIONS TO SEIZE COMMUNIST TERRITORY.
THO'S HOST, PODGORNYY, "DECLARED FIRMLY" THAT MOSCOW
WANTS TO SEE C-F RESTORED AND STABILIZED, EXPRESSED
HOPE THAT HAK-LE DUC THO MEETING WILL RESULT IN WAY
TO REDUCE VN FIGHTING (SUN).

13. BRADSHER (S-N, DEC. 18) FROM HK REPORTS HANOI
IS TAKING A "VERY TOUGH LINE" IN PREPARATION FOR
PARIS TALKS AND BLAMING CONTINUING FIGHTING ON US
AND GVN. HE QUOTES "NHAN DAN" THAT VC AND HANOI
HAVE "SCRUPULOUSLY ADHERED" TO C-F WHILE US HAS VIOLATED
IT BY HAVING "TENS OF THOUSANDS" OF MILITARY PERSONNEL
"DISGUISED AS CIVILIANS" AND BY GIVING MONEY, WEAPONS
AND "WAR MEANS" TO GVN TO HELP THEM "WRECK" THE C-
F. BRADSHER COMMENTS THAT KEY QUESTION IS WHETHER
UNYIELDING PUBLIC POSTURE REFLECTS ATTITUDE THO WILL
ADOPT IN MEETING; IF SO, BRADSHER SAYS IT IS DOOMED
TO BE UNPRODUCTIVE.

14. SENATE-HOUSE CONFEREES AGREE ON 73.75 BILLION
DOLS DEFENSE APPROPRIATION BILL, 3.5 BILLION UNDER
PRES.' REQUEST. COMPROMISE RETAINS SENATE-VOTED
BAN ON M

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Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE247514
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731257/abqcekij.tel
Line Count: 208
Locator: TEXT ON-LINE
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by reddocgw>; APPROVED <21-Aug-2001 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DECEMBER 19 EA PRESS SUMMARY(CSM NOT AVAILABLE)
TAGS: PFOR, XC, US
To: SAIGON INFO ALEAP
BIEN HOA
CANBERRA
CAN THO
DANANG
HONG KONG
NHA TRANG

JEC PARIS
USSAGE NAKHON PHANOM
CINCPAC HONOLULU
COGARD POLAD
XMT SUVA

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005